

Message Text

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ORIGIN EA-14

INFO OCT-01 ISO-00 NEA-10 SS-20 NSC-10 EB-11 CIAE-00

INR-10 NSAE-00 RSC-01 COME-00 STR-08 INT-08 SCI-06

SCEM-02 OMB-01 TRSE-00 /102 R

DRAFTED BY EA/J:WPIEZ:BD

APPROVED BY EA - MR. SNEIDER

TRSY - MR. RASMUSSEN

EA - AMBASSADOR INGERSOLL

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P 181811Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO PRIORITY

C O N F I D E N T I A L STATE 246293

TAGS: JA

SUBJECT:TSURUMI CALL ON ASSISTANT SECRETARY DESIGNATE

1. FOLLOWING IS SUMMARY OF DEPVICEMIN TSURUMI'S CALL ON ASSISTANT SECRETARY DESIGNATE ON DECEMBER 10. ON SAME DAY SURUMI CALLED ON UNDER SECRETARY CASEY AND ACTING SECRETARY RUSH. MEMCONS ON ALL THREE CALLS HAVE BEEN PREPARED AND ARE BEING POUCHED.

2. AFTER INITIAL COURTESIES, TSURUMI SAID THAT, ALTHOUGH ARABS HAD EXEMPTED JAPAN FROM ADDITIONAL DECEMBER CUT OF 5 PERCENT, JAPANESE EXPECTED NEXT FOLLOWING 5 PERCENT MONTHLY CUTS WOULD APPLY TO THEM.

3. INGERSOLL ASKED ABOUT JAPANESE DATA ON AVAILABLE SUPPLIES. TSURUMI SAID THEIR ESTIMATES BASED ON INFORMATION PROVIDED BO OIL COMPANIES. AMBASSADOR POINTED OUT THAT THE RESULTING SUPPLIES WOULD BE MUCH LESS THAN OUR OWN USG ESTIMATES OF IMPACT ON ARAB OIL CUTS. TSURUMI RESPONDED HE CONVINCED SUPPLIERS DIVERTING NON-ARAB OIL TO
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OTHER CONSUMERS. HE ALSO NOTED THAT JAPANESE OIL COMES

MOSTLY FROM MAJOR COMPANIES, AND RELATIVELY LITTLE PROVIDED BY DIRECT PURCHASE.

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4. SN EIDER REVIEWED DATA AND CALCULATED THAT JAPANESE SHORTFALLS, IF ARAB SUPPLIES AMOUNTING TO 40 PER CENT OF TOTAL IMPORTS ARE CUT BY ONE-FIFTH, SHOULD HAVE BEEN ABOUT EIGHT PERCENT. TSURUMI AFFIRMED THAT ON CONTRARY, CUTS IN NOVEMBER HAD BEEN ABOUT 18 PERCENT.

5. TSURUMI OBSERVED US-JAPAN TRADE SITUATION WAS GOING WELL. TRADE DEFICIT THIS YEAR SHOULD BE LESS THAN \$1.5 BILLION. TSURUMI ANTICIPATED THAT THERE WOULD BE NO CHANGE IN JAPAN'S TRADE POLICIES, HE SAID JAPANESE RE-SERVES HAD DECLINED TO ABOUT \$13 BILLION FROM MORE THAN \$18 BILLION BEGINNING 1973.

6. TSURUMI SAID DIET SHOULD ENACT THE SUPPLEMENTARY BUDGET BY DECEMBER 15, AND PROMPT ACTION EXPECTED ON TWO MAJOR BILLS GIVING GOVERNMENT AUTHORITY MANAGE ENERGY CRISIS.

7. INGERSOLL SAID OUR POLICY WAS TO HOLD TIGHT DURING OIL CRISIS AND RESIST ARAB PRESSURES, ALTHOUGH WE SYMPATHIZED WITH AND UNDERSTOOD THE MORE VULNERABLE POSITION OF JAPAN. TSURUMI SAID HE EXPECTED OTHER COUNTRIES, ESPECIALLY LDCS, TO BE HARD HIT BY THE OIL SHORTAGE.

8. TSURUMI REPORTED TANAKA WOULD VISIT ALL FIVE ASEAN CAPITALS FROM JANUARY 7-17. HE EXPECTED LDCS WOULD BY THEN BE QUITE AWARE OF THEIR PROBLEMS CAUSED BY THE PETROLEUM CRISIS.

9. INGERSOLL ASKED WHETHER JAPANESE HAD ANY ADVANCE COMMITMENT OR OTHER ASSURANCES FROM ARABS REGARDING RELIEF FROM PRODUCTION CUTS PRIOR TO RELEASE ON NOVEMBER 22 OF JAPAN'S REVISED POLICY STATEMENT. TSURUMI SAID THEY HAD RECEIVED NO ASSURANCES FROM ARABS.

10. TSURUMI SAID MIKI HAD JUST LEFT JAPAN ON A TOUR
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OF ARAB COUNTRIES. INGERSOLL ASKED WHAT INSTRUCTIONS MIKI HAD. TSURUMI RESPONDED MIKI WAS TO FIND OUT HOW JAPAN COULD CONTRIBUTE TO A MIDDLE EAST SETTLEMENT. HE WOULD OFFER BETTER RELATIONS THROUGH AID AND TECHNICAL ASSISTANCE. AID MIGHT BE EXTENDED TO EGYPT AND IRAQ. SAUDI ARABIA AND OTHER WEALTHY ARAB COUNTRIES WOULD BE OFFERED TECHNICAL ASSISTANCE, BUT NOT AID. TSURUMI EXPRESSED A WAIT AND SEE ATTITUDE ON POSSIBLE RESULTS

OF MIKI'S TRIP.

11. TSURUMI DID NOT CALL ON FEDERAL ENERGY OFFICE
DIRECTOR SIMON WHO WAS DETAINED ON CAPITOL HILL, AND
COULD NOT MAKE APPOINTMEN. TSURUMI INSTEAD SAW ENERGY
ADVISOR WM. A. JOHNSON. MEMCON OF THAT MEETING, WHICH
WAS LARGELY CONFINED TO COURTESIES, IS BEING PREPARED AND
POUCHED. RUSH

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